

REPORT

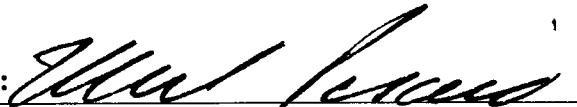
TO: Regional Council

FROM: Community, Economic and Human Development Committee (CEHD)
Jacob Lieb, Acting Lead Regional Planner, (213) 236-1921, lieb@scag.ca.gov

SUBJECT: Regional Housing Needs Assessment

DATE: December 2, 2004

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

The CEHD Committee recommends that the Regional Council authorize staff to request that the regional housing need allocation (RHNA) process be coordinated with the Regional Transportation Plan (RTP) update, as allowed under California Government Code Section 65584. This would allow SCAG to begin its RHNA process in spring 2006 at the latest. Such a request would need to be submitted no later than December 31, 2004. The request initiates a negotiated process with the State Department of Housing and Community Development (HCD) for the revised schedule.

Notwithstanding this request, staff will continue discussions with HCD, as well as with Secretary of Business, Transportation, and Housing Sunne Wright McPeak, to seek resolution on issues affecting the conduct of the RHNA.

SUMMARY:

Under State law (CA Government Code Section 65584), SCAG is required to allocate shares of the regional housing need to local governments and sub-regions. Current law calls for SCAG to perform this process between July 1, 2004 and June 30, 2005. However, newly enacted legislation (AB 2158) allows SCAG to request that the State coordinate the housing allocation with the RTP update. This would allow SCAG to begin its RHNA process in spring 2006. Established SCAG policy supports the RTP and RHNA processes proceeding together so that growth, development and infrastructure issues are addressed in a coordinated manner. At the same time, a later start date for the next RHNA could allow for other pending issues, particularly funding, to be resolved.

BACKGROUND:

SCAG staff has, during the last year, monitored and reported on issues affecting the conducting of the next RHNA. These issues include:

1. Pending legislation

During the last year, Assembly Bills 2158 and 2348 were under consideration in the Legislature. These bills, which have now passed into law, substantially reform the conduct of the RHNA and the local Housing Element respectively. Among other changes, AB 2158 allows SCAG to request a RHNA schedule that is coordinated with



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the Regional Transportation Plan (RTP) update. The bill also allows SCAG to request use of the RTP forecast and planning horizons in the RHNA. Such a request, under the statute, would need to be received by HCD prior to December 31, 2004.

2. Funding uncertainty

The State Legislature has failed to adequately allocate resources to reimburse Councils of Governments (COGs) as well as local governments for the RHNA. Currently the State budget identifies \$1,000 for this purpose. At the same time, the Commission on State Mandates issued a preliminary finding that COGs would not be eligible for these reimbursements, that rather they are only available to local governments. As an alternative funding mechanism, the Legislature included a provision in the State budget allowing COGs to charge a fee to cities and counties in order to cover RHNA costs.

3. Litigation

Litigation resulting from the 2000 RHNA was concluded by settlement agreement in October 2004.

4. Direction from State Department of Housing and Community Development (HCD)

State law requires that the RHNA process be initiated by HCD which would engage SCAG in a consultation, then issue a total regional housing need number. Given the uncertainties described above, SCAG requested direction on whether to proceed. HCD has not responded to this request, nor have they taken the steps described in law to formally initiate the process.

The passage of AB 2158 and 2348, as well as the conclusion of litigation, removes two of the issues affecting the next RHNA. The other two issues described above remain. SCAG is not prepared to proceed on this State mandate given these outstanding issues. Staff will continue discussions with HCD, as well as with Secretary of Business, Transportation, and Housing Sunne Wright McPeak, to seek resolution.

FISCAL IMPACT:

There is no cost associated with the recommended action.